

Financial Management and Leadership Communities of Practice:

Dashboards

What They Are and How They Help

September 17, 2008

Facilitators: *Stephane Acel and Linda Greenseid*

Guests: *Lawrence Butler, Maguire Associates*
Ken Golden, MetroWest Jewish Day School

Lawrence Butler

Senior Consultant
Maguire Associates

Larry is the author of *The Nonprofit Dashboard: A Tool for Tracking Progress*, BoardSource, 2007. He is co-author of the soon-to-be-published book *EM=C²: A New Formula for Enrollment Management*.

A strategic planning specialist, Larry began his 40-year consulting career with The Boston Consulting Group, where he was responsible for strategy assignments on behalf of a broad array of corporate and institutional clients. He subsequently established his own firm specializing in non-profit institutional strategy in fields as diverse as education, museums, healthcare, and philanthropy. He has written extensively on improving the information resources of governing boards and senior management teams.

Larry holds an M.B.A. from Harvard Business School and a bachelor's degree from Harvard College.

Goals of the Call

- **Learn from Larry what dashboards are and their value for leaders, financial managers and other senior staff**
- **Hear a “voice from the field” describe his experience with dashboard metrics**
- **Give CoP members a chance to ask questions and share their perspectives and experience**

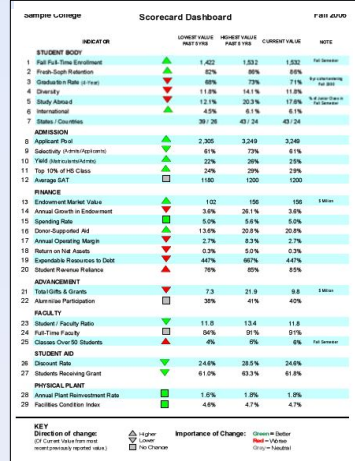
Agenda

- **What are dashboards?**
- **Why are dashboards useful?**
- **What should be measured?**
- **How can we use dashboards in board discussions?**
- **How can we begin implementing dashboards?**
- **Next Steps**
- **Resources**

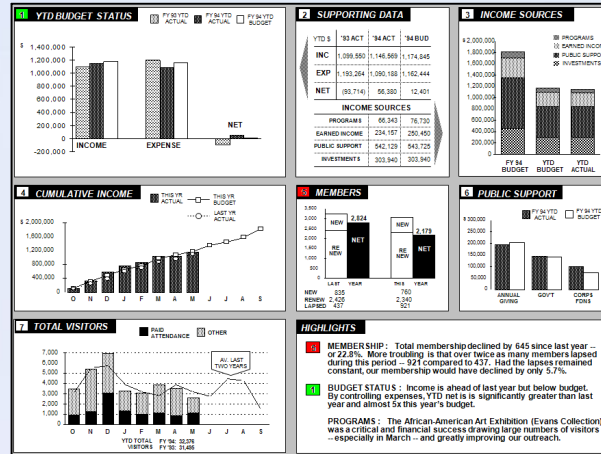
What are dashboards?

- **Set of “gauges” and “warning lights”**
- **One or two pages (or small sets)**
- **Hard copy and/or on-line**
- **Display of key performance indicators (KPI)**
- **Combination of graphics, numbers, words**

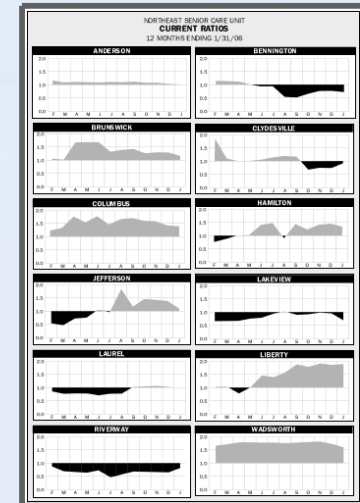
What are dashboards?



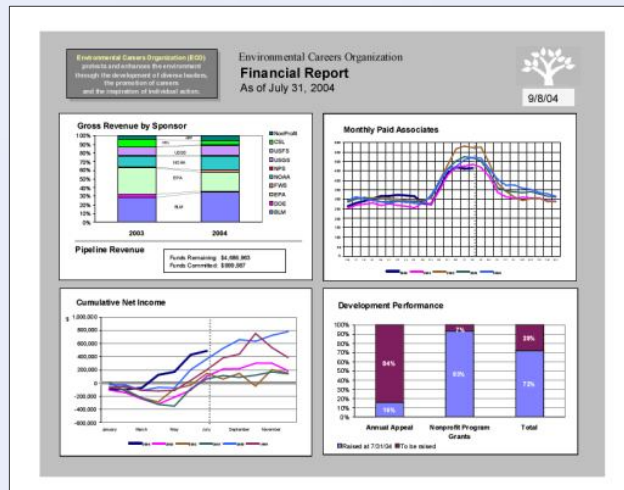
Scorecard



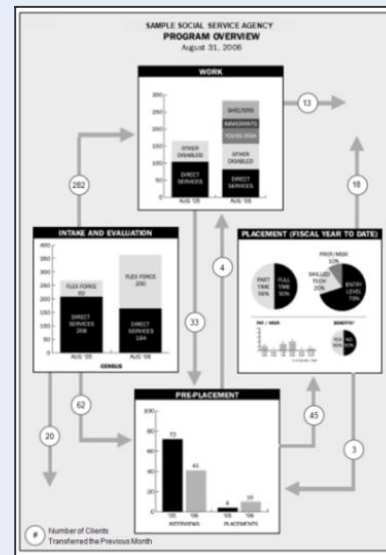
Graphic



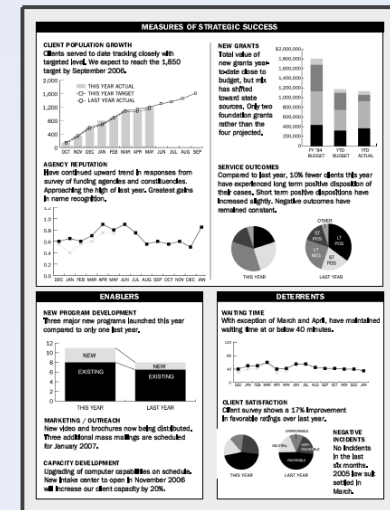
Small Multiples



Financial



Program Flow



Strategic

Sample College Scorecard Dashboard Fall 2006

INDICATOR	LOWEST VALUE PAST 5 YRS	HIGHEST VALUE PAST 5 YRS	CURRENT VALUE	NOTE	
STUDENT BODY					
1 Fall Full-Time Enrollment	▲	1,422	1,532	1,532	Fall Semester
2 Fresh-Soph Retention	▲	82%	86%	86%	
3 Graduation Rate (4-Year)	▼	68%	73%	71%	5-yr cohort entering Fall 2002
4 Diversity	▼	11.8%	14.1%	11.8%	
5 Study Abroad	▼	12.1%	20.3%	17.6%	% of Junior Class in Fall Semester
6 International	▲	4.5%	6.1%	6.1%	
7 States / Countries		39 / 26	43 / 24	43 / 24	
ADMISSION					
8 Applicant Pool	▲	2,305	3,240	3,240	
9 Selectivity (Adms/Apply)	▼	61%	73%	61%	
10 Yield (Offers/Adms)	▲	22%	26%	25%	
11 Top 10% of HS Class	▲	24%	26%	26%	
12 Average SAT	□	1180	1200	1200	
FINANCE					
13 Endowment Market Value	▲	102	156	156	\$Mill
14 Annual Growth in Endowment	▼	3.8%	26.1%	3.8%	
15 Spending Rate	□	5.0%	5.5%	5.0%	
16 Donor-supported Aid	▲	13.6%	20.6%	20.6%	
17 Annual Operating Margin	▼	2.7%	8.3%	2.7%	
18 Return on Net Assets	▼	0.3%	5.0%	0.3%	
19 Expendable Resources to Debt	▼	46%	60%	44%	
20 Student Revenue Balance	▲	79%	80%	83%	
ADVANCEMENT					
21 Total Gifts & Grants	▼	7.3	21.9	9.8	\$Mill
22 Alumni Participation	□	38%	41%	40%	
FACULTY					
23 Student/Faculty Ratio	▼	11.8	13.4	11.8	
24 Full-Time Faculty	□	84%	91%	91%	
25 Classes Over 50 Students	▲	4%	6%	6%	Fall Semester
STUDENT AID					
26 Discount Rate	▼	24.6%	25.5%	24.6%	
27 Children Receiving Grant	▼	61.0%	63.3%	61.8%	
PHYSICAL PLANT					
28 Annual Plant Reinvestment Rate	□	1.6%	1.6%	1.6%	
29 Facilities Condition Index	□	4.6%	4.7%	4.7%	

KEY
 Direction of change: (▼) Current Value from next measurement is lower; (▲) Current Value from next measurement is higher; (□) No Change
 Importance of Change: Green = Better; Red = Worse; Grey = Neutral

Example of Scorecard Dashboard

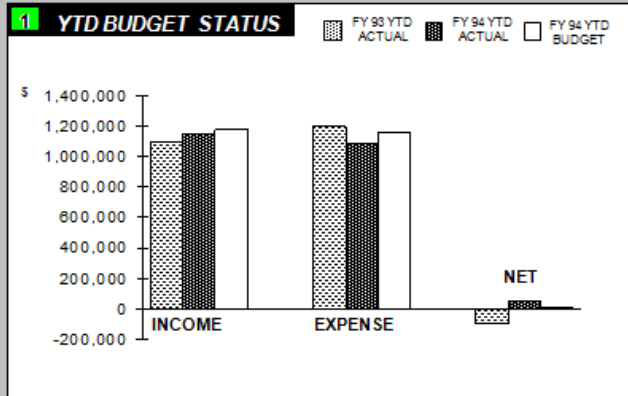
Sample College

Scorecard Dashboard

Fall 2006

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Examples of Graphic Dashboard

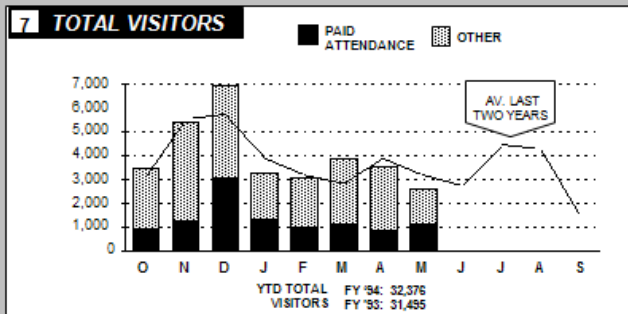
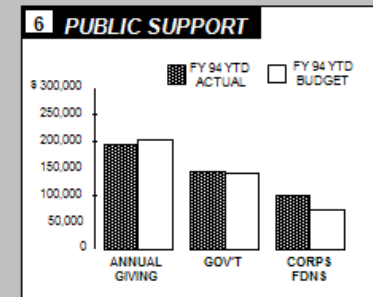
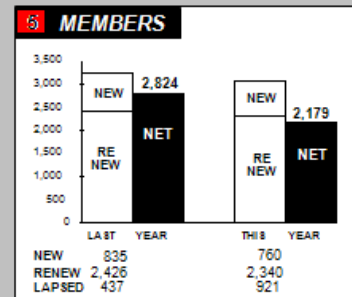
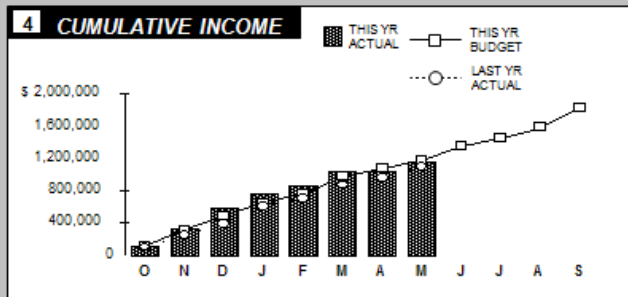
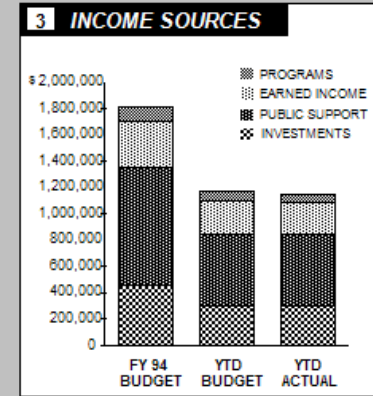


2 SUPPORTING DATA

YTD \$	'93 ACT	'94 ACT	'94 BUD
INC	1,099,550	1,146,569	1,174,845
EXP	1,193,264	1,090,188	1,162,444
NET	(93,714)	56,380	12,401

INCOME SOURCES

	'93 ACT	'94 BUD
PROGRAMS	66,343	76,730
EARNED INCOME	234,157	250,450
PUBLIC SUPPORT	542,129	543,725
INVESTMENTS	303,940	303,940



HIGHLIGHTS

5 MEMBERSHIP: Total membership declined by 645 since last year -- or 22.8%. More troubling is that over twice as many members lapsed during this period -- 921 compared to 437. Had the lapses remained constant, our membership would have declined by only 5.7%.

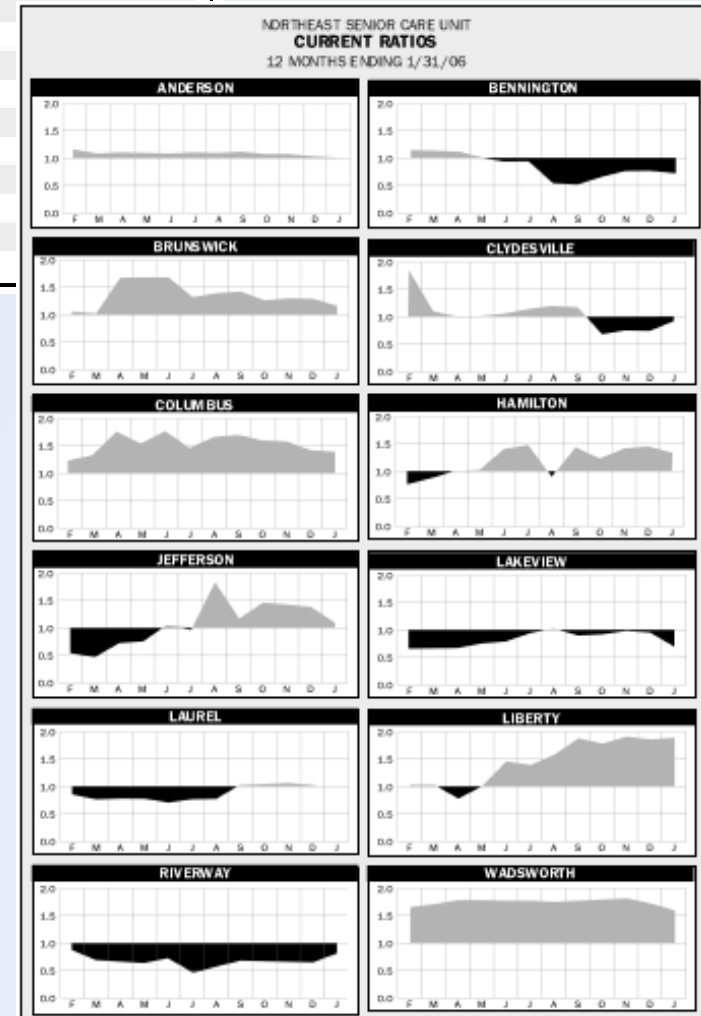
1 BUDGET STATUS: Income is ahead of last year but below budget. By controlling expenses, YTD net is significantly greater than last year and almost 5x this year's budget.

PROGRAMS: The African-American Art Exhibition (Evans Collection) was a critical and financial success drawing large numbers of visitors -- especially in March -- and greatly improving our outreach.

Before

NORTHEAST SENIOR CARE NETWORK CURRENT RATIOS 12 MONTHS ENDING 1/31/2006												
FACILITY	FEB '05	MAR '05	APR '05	MAY '05	JUN '05	JUL '05	AUG '05	SEP '05	OCT '05	NOV '05	DEC '05	JAN '06
ANDERSON	1.15	1.06	1.10	1.09	1.06	1.10	1.09	1.11	1.07	1.07	1.09	1.00
BENNINGTON	1.14	1.13	1.11	1.00	0.93	0.94	0.94	0.92	0.88	0.78	0.78	0.72
BRUNSWICK	1.05	1.01	1.06	1.07	1.07	1.31	1.38	1.41	1.25	1.29		
CLYDESVILLE	1.04	1.10	0.99	1.00	1.05	1.14	1.19	1.17	0.88	0.74		
COLUMBUS	1.22	1.32	1.75	1.93	1.75	1.45	1.65	1.59	1.59	1.57		
HAMILTON	0.75	0.87	1.00	1.03	1.41	1.48	0.89	1.43	1.24	1.41		
JEFFERSON	0.94	0.97	0.72	0.75	1.05	0.95	1.03	1.17	1.45	1.43		
LAKEVIEW	0.65	0.67	0.67	0.75	0.79	0.94	1.02	0.90	0.92	0.96		
LAUREL	0.94	0.75	0.77	0.75	0.70	0.75	0.75	1.02	1.04	1.05		
LIBERTY	1.02	1.02	0.79	1.00	1.45	1.38	1.57	1.87	1.77	1.90		
RIVERWAY	0.85	0.88	0.67	0.63	0.71	0.45	0.54	0.67	0.65	0.65		
WADSWORTH	1.25	1.71	1.75	1.75	1.77	1.77	1.75	1.77	1.79	1.81		

After



Example of Small
Multiples
Dashboard

Why are dashboards useful?

- **Save time by highlighting key indicators**
- **Track progress toward goals**
- **Understand system dynamics**
- **Spot potential problems**
- **Identify patterns**
- **Expand decision-maker comfort zones**
- **Maintain a strategic perspective**
- **Create a shared knowledge base**
- **Enable assessment across units**

Why are dashboards useful?

The very process of identifying dashboard metrics can help clarify collective understanding of mission, strategy and critical issues.

What should be measured?

Several approaches to identifying metrics:

- Mission as Spine
- Strategic Initiatives
- Outcomes
- Risk Factors
- Critical Success Factors
- Service / Resource Matrix

Group Discussion: What are the indicators you would like to highlight on a dashboard?

Response from call participants:

- Annual enrollment trends
- Applications, tours and acceptances on a monthly basis
- Financial aid relative to tuition (how these two are measured)
- Tuition coverage ratio (net tuition/total expense)
- Monthly cash flow
- Development (on a monthly basis)
- Faculty retention

How to use dashboards in Board discussions

- **Make the dashboard-based discussion a standard agenda item.**
- **Create an annual agenda plan with meeting themes and tailored dashboards.**
- **Assign Board committees to work with staff in developing dashboards related to their committees' areas of responsibility.**
- **Enable committee chairs to present/interpret dashboards.**

Group Discussion: What programs can be used to create dashboards?

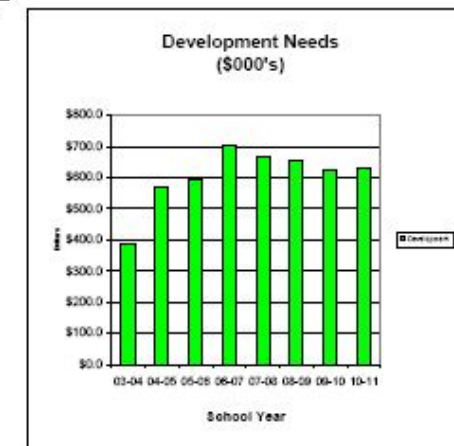
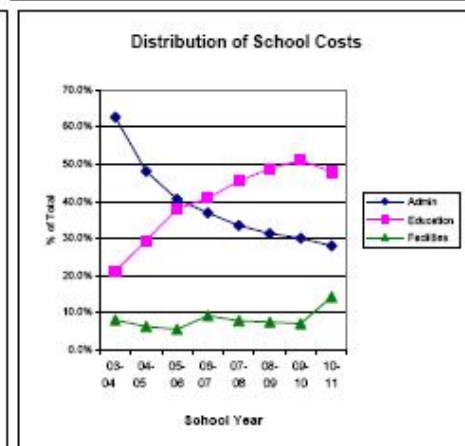
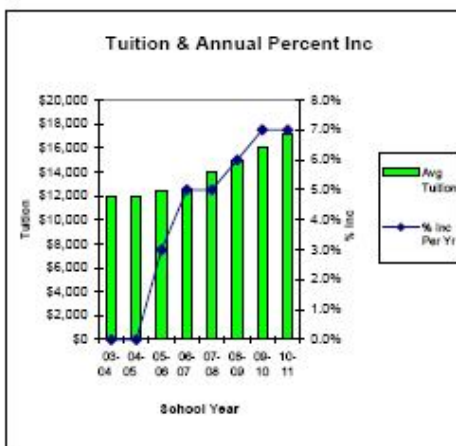
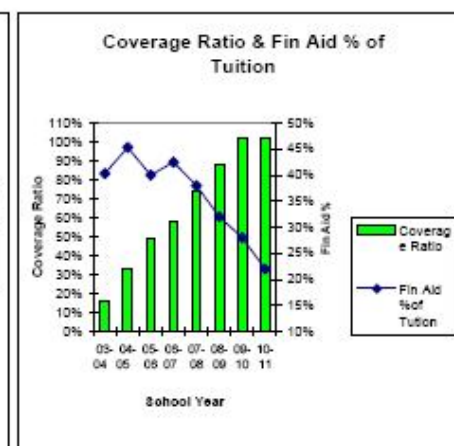
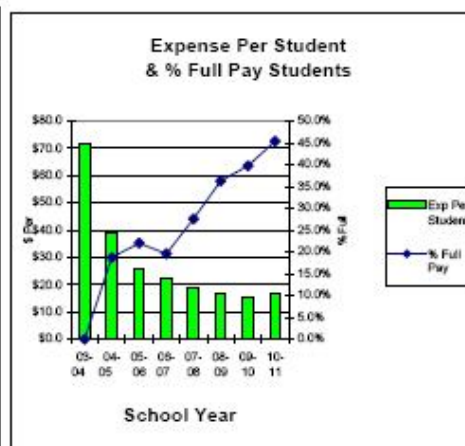
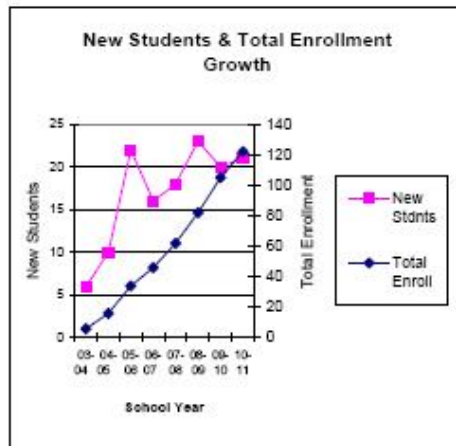
Microsoft Excel is powerful.

- You can use one data sheet to contain the data and utilize a second for graphs.
- Excel's graphic capability is adequate.
- Excel 2007 allows you to buy additional modules for graphics as well.

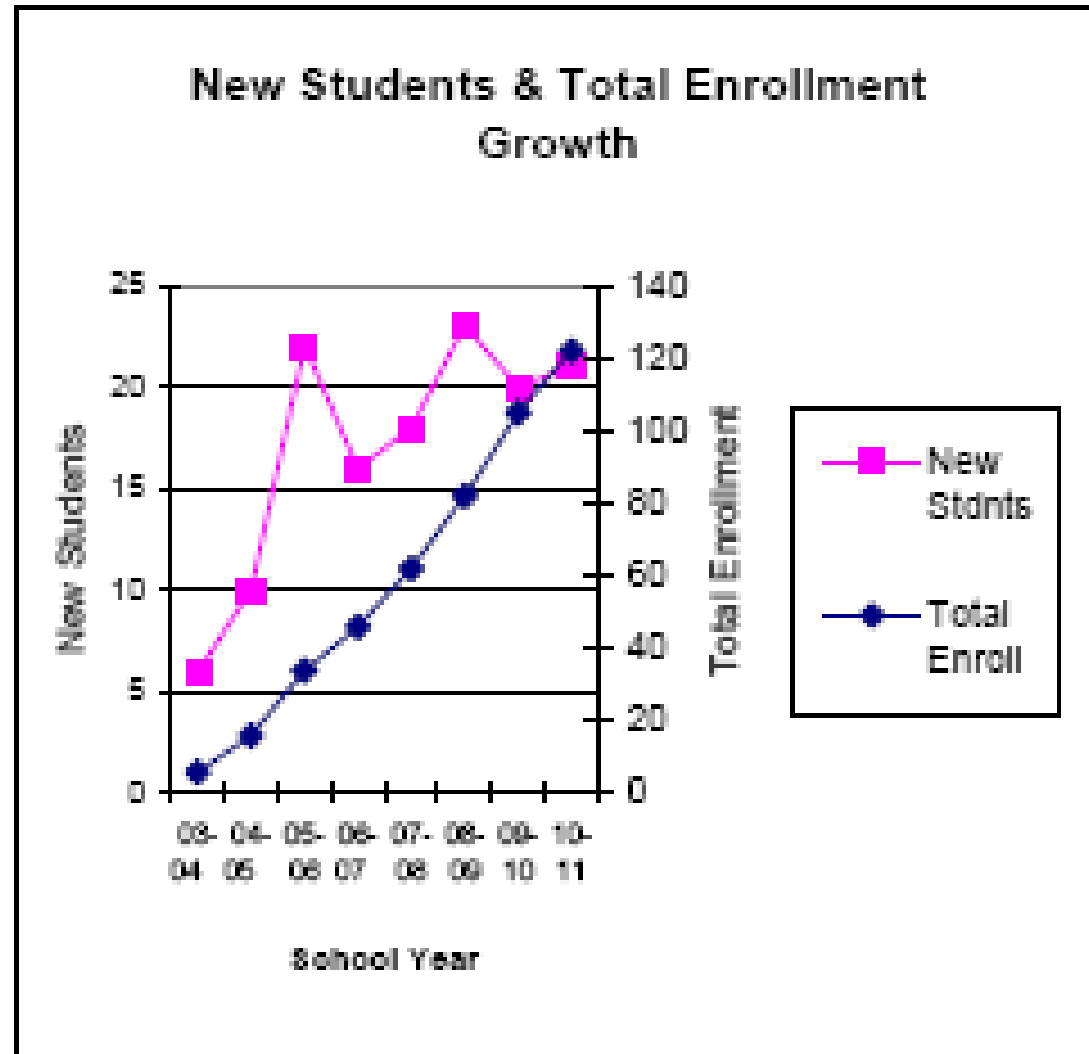
Voice from the Field: MetroWest JDS, Framingham, MA

MWJDS

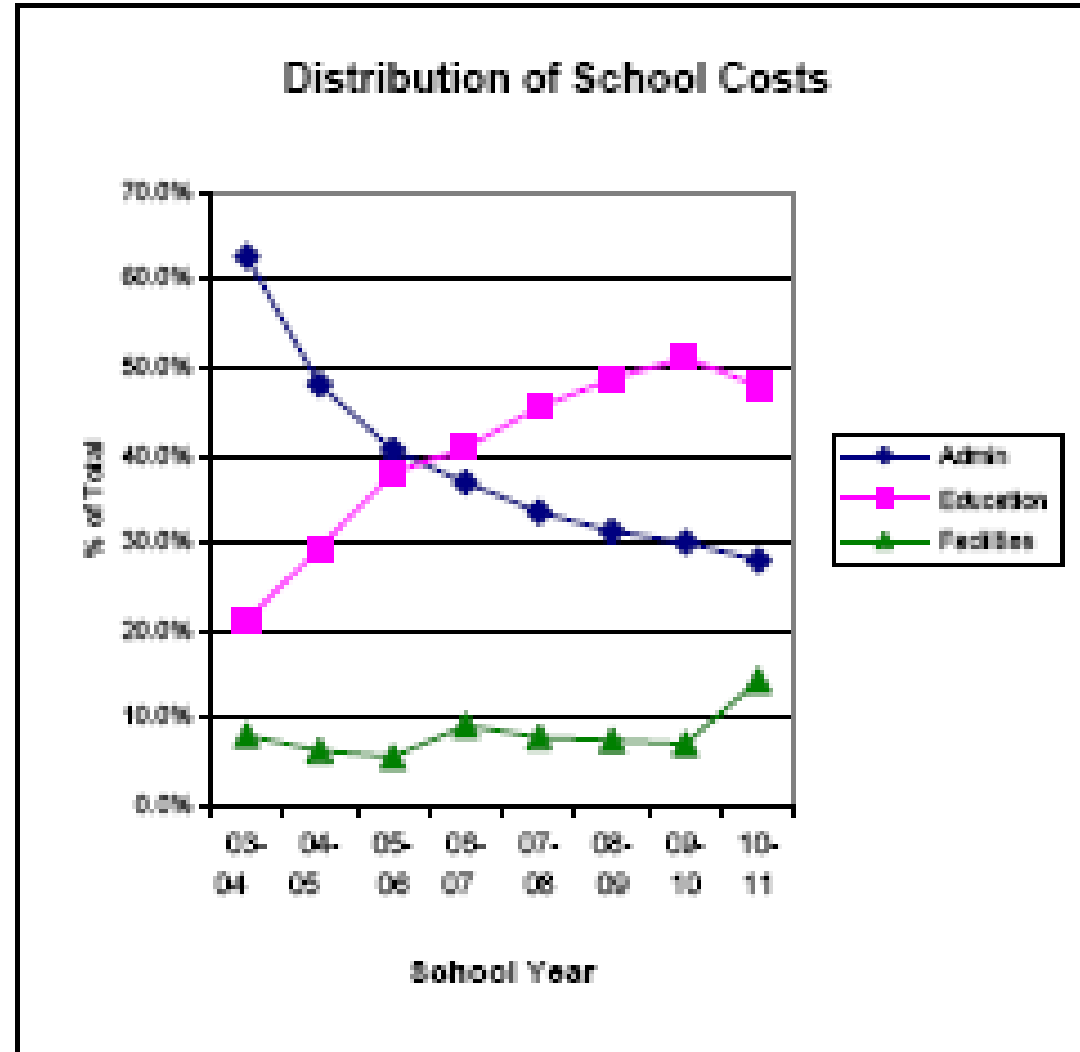
Overview of Key Financial and operating Measures
 School Years 2006-2011 (New Building Aug 2010)



Voice from the Field



Voice from the Field



Google Group Follow-Up

Leadership CoP Discussion

- How can you as a Board chair use the indicators so that they are just that—indicators—and not a source to overtake the Board's agenda?

Financial Management CoP Discussion

- How can you as a business manager or treasurer utilize indicators to explain complex issues facing the school?
- What examples of dashboard indicators are you using? (Please post.)

Next Calls

Financial Management CoP

“Insurance” with guest Cheryl McDowell from Bolton & Company on November 5 at 1:00 PM Eastern.

Please complete the short survey below to help us define a topic:

http://www.surveymonkey.com/s.aspx?sm=iP2SKzQgH9tDititPwoDJw_3d_3d

Leadership CoP

“What do Heads Need from their Boards?” with guests Dr. Zvi Schoenburg, Gesher Jewish Day School and Allison Oakes, Solomon Schechter School of Palm Beach County on October 6 at 1:00 PM Eastern.

The Nonprofit Dashboard: A Tool for Tracking Progress by Lawrence M. Butler

Available at BoardSource:

<http://www.boardsource.org/Bookstore.asp?Item=1073>

Thanks for participating!

**Thanks to our guests,
Larry Butler and Ken Golden!**

**Use Google Groups to continue the
discussion – share your ideas,
questions, and best practice
suggestions.**

**Not on Google Groups? Email
stephane@peje.org or
greenheid@peje.org
to join the discussion.**

Appendix: How to begin implementing dashboards

- **Ask the board what they need**
- **Assign a key staff liaison**
- **Review current board information**
- **Test draft formats as you go**
- **Maintain a parallel system initially**

Appendix: Some tips to keep in mind

- **Less is more – be selective.**
- **Work with available data first.**
- **The process of dashboard design can be as valuable as the end-result.**
- **Especially, determining what to measure.**

Appendix: Sample Financial Dashboard

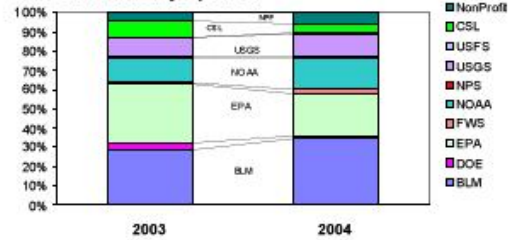
Environmental Careers Organization (ECO)
 protects and enhances the environment
 through the development of diverse leaders,
 the promotion of careers
 and the inspiration of individual action.

Environmental Careers Organization Financial Report As of July 31, 2004



9/8/04

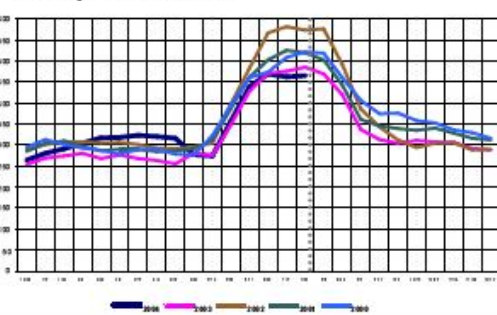
Gross Revenue by Sponsor



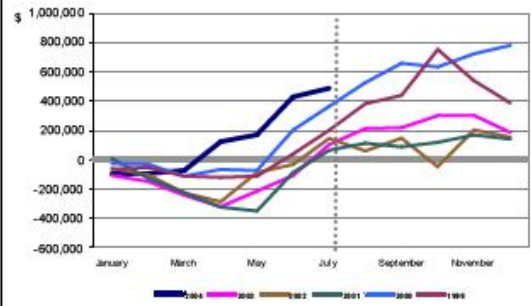
Pipeline Revenue

Funds Remaining: \$4,686,963
 Funds Committed: \$989,987

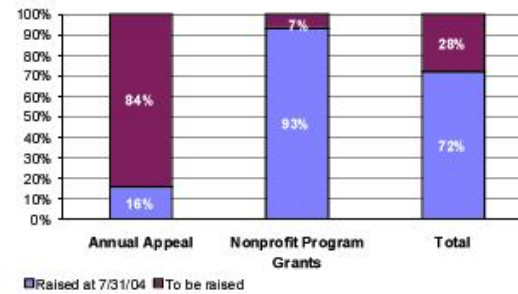
Monthly Paid Associates



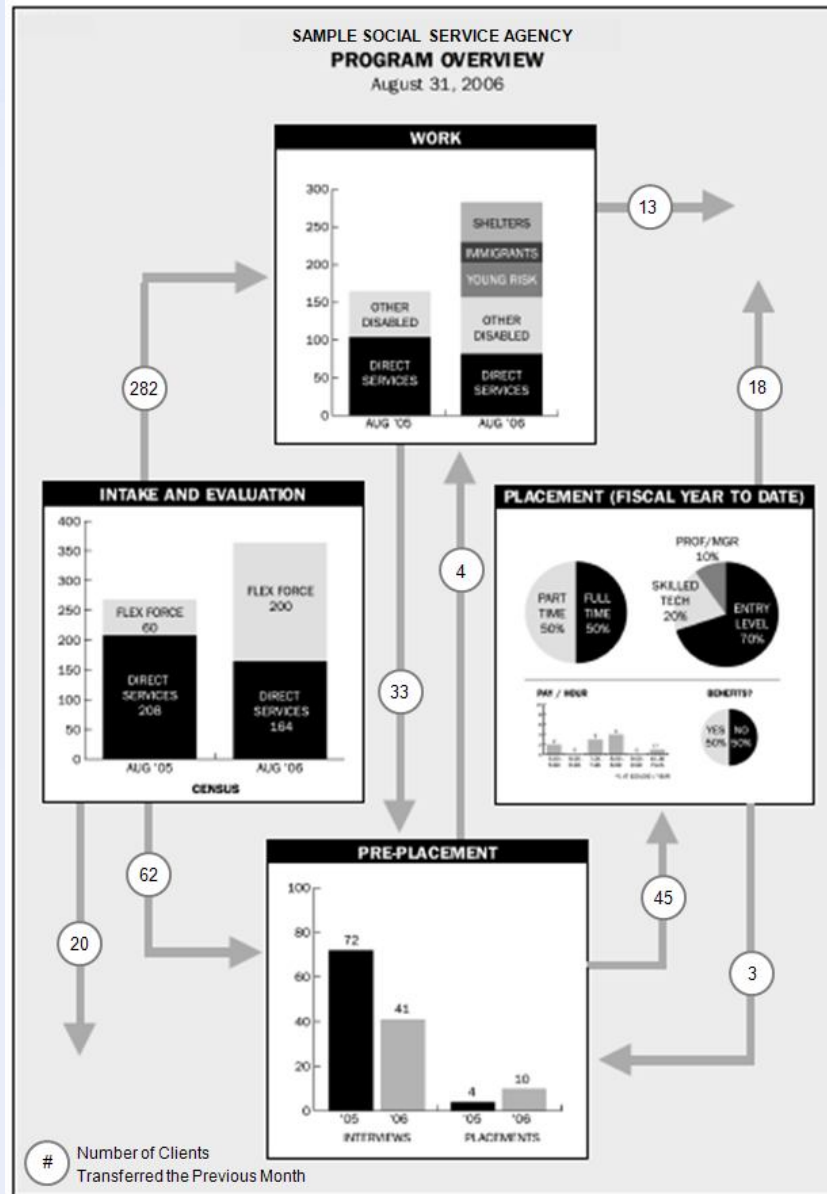
Cumulative Net Income



Development Performance



Appendix: Program Flow Dashboard



Appendix: Strategic Dashboard

